

# THE RUGBY TIMES

SPRING 2001



Rugby Estates Plc

Central London-  
Now 73%

Pages 1, 2 & 3



Developments

Pages 1 & 4



Think Strategic

Page 4

## Rugby Estates Plc

### Financial Highlights (year to 31 January 2001)

- Net assets per share (pre-tax) up 24% at 357p
- Profit before tax – £4.15 million, up 53%
- Dividend per share up 10% at 3.523p
- Fifth successive 10% increase in dividend
- Proforma balance sheet gearing 107%

### IPD PORTFOLIO PERFORMANCE

- Ranked No 2 out of 223 Funds
- Rugby Estates total portfolio return 22.4% compared with IPD All - fund Universe total return for 2000 of 11.5%

### PORTFOLIO HIGHLIGHTS (as at 31 January 2001)

- Total Portfolio £104 million - up 11%
- Central London now 73% - up from 49%
- Covent Garden £64 million - up 97%
- Acquisitions £34 million, 90% in central London
- Disposals of £47 million, 33% in central London
- Current income yield 6.2%
  - 46% office
  - 22% restaurants, cafes
  - 24% retail & industrial
- Expected income yield 8.0%
- Clerkenwell capital growth 36%
- Central London portfolio return 32%
- 131 tenants in 41 buildings

### Covent Garden - An Overview

- Total return - 27%
- Total frontage - 650ft
- 66 tenants in 16 buildings
- Over 110,000sq ft of mixed use accommodation
- £ 64 million capital value, up 97%
- Rugby's key assets are located in Southampton St, Bedford St and the Strand

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## IPD - Rugby ranked second out of 223 Profits up 53% Net assets per share up 24% Portfolio total return 22%

### SOLD - INIGO HOUSE, COVENT GARDEN

A Danish institutional investor has acquired the freehold interest of Inigo House, Bedford Street in central Covent Garden. The property was recently refurbished by Rugby Estates. The sale achieved over £7 million, a yield of close to 6.5%. The air conditioned 6,000 sq ft of offices are let to Capital International at a rental of close to £50 per sq ft. The basement and ground floor retail accommodation was prelet to Paul (UK) a subsidiary of Boulangerie Paul, a French multiple. Hodnett Martin Smith advised Rugby in the disposal, Hunters the purchasers.



Paul UK's Cafe du The



Overlooking St Pauls Church



Inigo House, 29 - 30 Bedford Street

### AWARD WINNING ACCOUNTS – AGAIN

Rugby Estates Plc, Winner of the BDO Stoy Hayward Accounts Award for Smaller Property Companies - 2000

"For the second successive year Rugby Estate's Annual Report and Accounts was judged to have been produced in a very informative and user friendly manner. The judges concluded that "the document delivers a clear summary of the business, useful proforma of net assets and good disclosure on joint ventures...property companies have to learn to compete more effectively for investors time and money. This means that strategies and business plans have to be clearer and the management should be more articulate in explaining to shareholders what the business is about, how it intends to achieve its aims and what progress it is making towards those aims in any reporting period... Rugby takes the view that "we give as much information to shareholders as possible and strive for decent underlying returns and ways to add value to the bottom line. We hope that eventually the market will follow us and that our discount to net assets will narrow. We feel we have a duty to our shareholders to put everything we can into the document and to give a really clear picture of what we do".



Awards for 1999 and 2000



### TURNHAMS GREEN, READING - PRE SOLD

This speculative office complex at Junction 12 M4, funded by Norwich Union Pensions Management Ltd, is profiled on page 4.

## MERRILL LYNCH RESEARCH COVERAGE

"We are initiating coverage on Rugby Estates as it has considerably improved in recent years and is now one of five UK property stocks with a strong West End focus. Rugby remains small but we believe the combination of focus on growth markets, high gearing and the trading skills of the management should provide NAV outperformance against the sector. We are initiating coverage with an accumulate recommendation and including the company as a "candidate" for core status in the sector"

EXTRACT FROM MERRILL LYNCH'S RESEARCH PAPER –  
REAL VIEW 171, 12 FEBRUARY 2001

# THE RUGBY TIMES

## THE LONDON ESTATE

### REGUS IN COVENT GARDEN

Last summer Rugby Estates acquired 26/27 Southampton Street, two vacant interlinking office buildings in the heart of Covent Garden for about £5 million. Following a letting to Regus a stylish Covent Garden orientated business centre has been opened. Rugby Estates shares in the profits of the business although Regus have taken a conventional institutional lease. This investment was one of the group's best performing Central London assets in the past 12 months.



Regus opens



26 - 27 Southampton Street

### THREE CONVERSIONS IN THE STRAND

In three unconnected transactions Rugby Estates has acquired a major holding at the junction of Southampton Street, a principal pedestrian access to the Piazza, Centric House at 390 - 391 Strand and the Nationwide Anglia building at 413 - 416 Strand.

At a combined purchase price of £22 million, the annual initial income of £1.4 million per annum has a reversionary potential of over £2 million. Saxon Law, Robin Calver, and CB Hillier Parker represented Rugby in these transactions. EA Shaw have been retained to manage two of these acquisitions. Nat West and Bank of Scotland provided acquisition finance.



Centric House, Strand



413 - 416 Strand

### DEVELOPMENT START IN LONG ACRE, WC2



Archaeological excavations

As development managers for Liverpool Victoria Asset Management Limited, owners of 8/9 Long Acre, Rugby Estates has commenced redevelopment of 20,000 sq ft of new retail and office accommodation. Demolition and archeological investigations have been completed and construction is due to commence over the next few months. Completion is scheduled for early summer 2002.

### London Industrials purchased

In London, SW8 an industrial investment was acquired in February 2001 comprising some 15,500 sq ft of accommodation together with 29,000 sq ft of yard and parking space.

The property is let to the Post Office at a current rental of £160,000 per annum which is considered to be reversionary. Over £2 million was paid for the opportunity reflecting a net initial yield of 7.5%.

Rugby Estates already owns a light industrial and office building fronting Wandsworth Road, opposite Sainsburys Superstore. The 20,000 sq ft is let to Tactica Solutions Limited. The investment was purchased in 2000 for approximately £2 million.



Strand holdings

### STOP PRESS...

Since 31 January Rugby Estates has added to its holdings in Clerkenwell with the purchase of 2-5 St John's Square. This new acquisition, which physically adjoins the existing property at Knights Court and Faber Court, brings Rugby's investment in desirable St John's Square to over £7 million. This holding adds to Rugby's portfolio 15,500 sq ft of office accommodation, of which some 50% is currently vacant. Proposals to refurbish and extend both buildings, either together or separately, are being considered.

Other holdings in the Clerkenwell/Smithfield area include an office investment at 60/61 Britton Street and a mixed use ownership at Warwick House in Cowcross Street. Rugby's holdings in this location now amount to 13% of the total portfolio.

As we go to print, further central London acquisitions in Covent Garden and Clerkenwell are in solicitors' hands.



Another purchase in St John's Square



Historic St John's Arch, with St John's Square behind



Farringdon Station in Cowcross Street



Euromonitor Plc in Britton Street



Warwick House Cowcross Street



Knights and Faber Court

# THE RUGBY TIMES

## THE LONDON ESTATE



### RUGBY ESTATES' TENANTS COVENT GARDEN

### Rugby Turnover £130m in Mayfair and Belgravia

Having paid £57 m for the portfolio 3 years ago all of the properties held by Rugby Union Partnership have now been sold for £73m. The Partnership was a joint venture between Rugby Estates and UBS Capital formed in 1998 to acquire a portfolio of 30 long leasehold properties in Mayfair and Belgravia from the Grosvenor Estate. Disposals from the portfolio since January 2000 have realised £30 million bringing the total realisations to over £70 million. Two substantial portfolio sales were made. Four contiguous buildings in Mount Street comprising some 40,000 sq ft of offices and 18 residential flats were bought by an overseas investor and a portfolio of properties principally in Grosvenor Street was bought privately. Other sales of properties in Park Street, Mayfair, and Grosvenor Crescent, Belgravia, were to a mixture of owner occupiers and private investors, both UK and overseas.



Grosvenor Crescent



Mount Street



North Audley Street



Park Street



Grosvenor Street



Grosvenor Street

## OTHER UK LOCATIONS

### BIRMINGHAM – A KEY HOLDING

"Plans to transform Birmingham City Centre into one of Europe's top business locations were unveiled this week by the City Council. Plans to bulldoze the Paradise Circus area of the City and replace it with 2.25 million sq ft of offices have been confirmed by Birmingham City Council leader Albert Bore. The Broadgate style development to be called the New Paradise Centre would, Councillor Bore said, be one of the finest commercial office development opportunities in the UK during the next 10 years. The Council owns most of the land involved but it will be talking to Rugby Estates, the owner of the Paradise Forum Shopping Centre, which lies at the heart of the redevelopment area. Rugby's Chief Executive, Andrew Wilson said that "we view our holdings as an important part of the Council's plans". He added that Rugby was "keen to retain an involvement in the redeveloped area". EXTRACT FROM PROPERTY WEEK 3 NOVEMBER 2000 "BIRMINGHAM REVEALS VISION AS NEW PARADISE OFFICES"



Paradise Forum Shopping Centre



in the heart of the initiative

### EDINBURGH PORTFOLIO SOLD

"Stop press" in the autumn edition of the Rugby Times reported that the Company had sold its buildings in South St Andrew Street which links Princes Street, the principal shopping area with St Andrew Square, a premiere office location. The sale to a private investor realised £4.8 million. Tenants included the Co-op Bank, Hays Montrose, and Charlie Miller, the renowned hairdresser.

### GEORGE STREET, EDINBURGH PLANNING CONSENT

Planning and listed building consent has been granted in George Street, Edinburgh for an extension and change of use of the ground and basement accommodation from offices to restaurant. Agreements for lease have been entered into with Gioma restaurants and Sunshine and Love who will trade as Gaucho Grill and Candy Bar respectively. Lloyds Bank have agreed to surrender their lease. Completion of the works is due later this year with both tenants opening in good time for Christmas. GLM are the project managers of the works on behalf of Rugby, DTZ and Roxburgh and Company the agents.



Scott House - Sold

### GOLDEN CROSS HOLDING SOLD

The Golden Cross Arcade in Oxford, held in a single purpose vehicle has been sold to a UK institution for over £5 million. This represented a yield to the purchaser of close to 8%. The shopping centre links one of Oxford's principal retail streets, Cornmarket with the Covered Market. Comprising some 14,000 sq ft in 14 units it is anchored by Pizza Express and Holland and Barrett. Savills acted for Rugby Estates.



Sold in City Centre Oxford

# THE RUGBY TIMES

M4 ESTATES 

## SALISBURY – PHASE 1 COMPLETED AND LET

This is a two phase 60,000sq ft retail warehouse development being undertaken by M4 Estates. Phase 1 of 30,000 sq ft was completed in 2000 and is now fully let to Staples and local furniture retailer, Sturtons. The majority of Phase 2 is under offer to substantial companies and building is expected to start in the spring. Bourne Retail Park is situated in an established retail warehouse area immediately adjacent to Salisbury's Tesco Superstore. On completion and letting of Phase 2 the investment will be sold.



Staples: open for business

## READING OFFICE PARK PURCHASED

Rugby Estates has acquired the Windsor Square office complex in Silver Street for just over £1 million. The investment comprises 8 buildings of some 8,000 sq ft with 50 car parking spaces let to a number of occupiers at a rental of £105,000 per annum. Rugby intends to improve the amenity of the estate through refurbishment in 2001.



Windsor Square, Reading

## NORWICH UNION SCHEME ALMOST COMPLETE

M4 Estates is close to completing its four unit 36,000 sq ft office park located at Junction 12 of the M4, the Reading/Theale turnoff. The scheme provides top quality air conditioned space in a secure, landscaped and attractively laid out environment with generous car parking. Two of the buildings have been let to Datapulse whilst the third and fourth are under offer. Rents of £27.50 per sq ft are being achieved.

The project was speculatively funded by Norwich Union Pensions Management Limited now administered by Morley Fund Managers. Agents for Rugby are Saxon Law and Reading based Fryer Gilbert and Jepps and Hicks Baker. Savills represented Morley.



Parkland setting



Quality internal specification

## CHIPPENHAM SALE

Rugby Estates has sold its 15,000 sq ft office investment in the town centre of Chippenham overlooking the river. The purchaser, a private investor paid over £1.5 million reflecting a net return of 8.75%. The building is the headquarters for Brunel Holdings Plc with whom Rugby Estates had previously concluded a sale and leaseback transaction. King Sturge and Awbery Lapsa represented Rugby Estates.



Brunel Holdings, Chippenham

## READING SITE ACQUIRED

Rugby Estates has exchanged contracts to purchase a 20,000 sq ft office and warehouse vacant building in Kenavon Drive on Forbury Park, one of the main commercial areas of central Reading. The property lies immediately adjacent to a Toys R Us and Homebase retail warehouse as well as Forbury Retail Park. The site has potential for a variety of uses including residential, car showroom, and offices, which are presently being appraised. Hicks Baker are advising.



Forbury Park site acquired

## THANKS TO...

A Thorburn  
Abbey Holford Rowe  
Alder King  
Allsops  
Anstey Horne  
Ashley Associates  
Awbery Lapsa  
Boyes Rees  
Britannia Construction  
Borges Salmon  
CB Hillier Parker  
Charter Land and Estates  
Christmas Ward Demolition  
Christie and Company  
Clark Associates  
Colliers CRE  
Cooper Rose  
Daniel Smith  
Deloitte and Touche  
DM Hall  
DTZ Tie Leung  
EA Shaw  
Eric Cole and Partners  
Ernst and Young  
FE McDonald  
FPD Savills  
Fryer Gilbert and Jepps  
Gardiner and Theobald  
GCI Financial  
Gibbon Lawson McKee  
GK Salter Associates  
Godfrey Vaughan  
Haarer and Goss  
Hamilton Downing  
Harding  
Harris Rourke and Simpson  
Healey and Baker  
Hicks Baker  
Hodnett Martin Smith  
Howell Brooks  
Howes and Holden  
Humberts  
H Smith  
Ian Lerner and Company  
Ingleby Trice Kennard  
Jones Lang LaSalle  
King Sturge  
Knight Frank  
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Private Property and Investment Company  
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Robin Calver  
Roxburgh and Company  
RPS Chapman Warren  
Saxon Law  
SDP Consulting Engineers  
Slater Michael  
Solomon Taylor and Shaw  
Theodore Goddard  
Tilbury Douglas  
Tods Muray  
Vickers Orriss  
William Verry

## RUGBY ASSET MANAGEMENT: A STRATEGIC MOVE

Rugby Asset Management advises its partners through working alongside them as principals.

Interests are aligned through co-investment and rewards through results.

Its principal focus is in Central London and along the M4 corridor but experience is UK wide.

Partners currently include Liverpool Victoria Asset Management Limited, UBS Capital, Royal SunAlliance, Norwich Union, Law Gibb and Sainsburys.

## PROVINCIAL SALES

Over the last 12 months Rugby Estates has disposed of investments in such diverse locations as Wakefield, Little Chalfont, Peterborough, Burgess Hill, Exeter, Oxford, Worcester, Maidenhead,



Grosvenor House - Bristol



Hastings - Private Buyer

Hastings and Bristol. In all over £20 million has been realised from disposals in non-core locations as Rugby Estates focuses more closely on central London and the M4 corridor.



Pickfords - Burgess Hill



Parceline - Peterborough

Think Strategic - Co-investor and specialist advisors



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## Front Cover 2001

For the 4th successive year Rugby Estates has sponsored the bible for investment agents – Hodnett Martin Smith's Investment Agents Directory. It is distributed to over 2,000 recipients. C Ds are also available.